

ATTACHMENT 1A

New York State 2005 Legislation

Authorizing Disease Management Demonstration Programs

6 s 21. The public health law is amended by adding a new section 2111 to
7 read as follows:
8 s 2111. Disease management demonstration programs. 1. The department
9 may establish disease management demonstration programs
10 through a request for proposals process to enhance the quality and
11 cost-effectiveness of care rendered to medicaid-eligible persons with
12 chronic health problems whose care and treatment, because of one or more
13 hospitalizations , **multiple disabling conditions requiring residential**
treatment or other health care requirements, results in high
14 medicaid expenditures. In order to be eligible to sponsor and to under-
15 take a disease management demonstration program, the proposed sponsor
16 may be a not-for-profit, for-profit or local government organization
17 that has demonstrated expertise in the management or coordination of
18 care to persons with chronic diseases or that has the experience of
19 providing cost-effective community-based care to such patients, or in
20 the case of a local government organization, has expressed a strong
21 willingness to sponsor such a program. The department may also approve
22 disease management demonstration programs which include, but are not
23 limited to, the promotion of adherence to evidence-based guidelines,
24 improvement of provider and patient communication and provide informa-
25 tion on provider and beneficiary utilization of services. The department
26 shall grant no fewer than six demonstration programs, no more than one-
27 third of such programs shall be selected to provide these services in
28 any single social services district; provided further, where the depart-
29 ment grants less than six demonstration programs, no more than one such
30 program shall be selected to provide these services in any single social
31 services district. The department shall approve disease management
32 demonstration programs which are geographically diverse and represen-
33 tative of both urban and rural social services districts. The program
34 sponsor must establish, to the satisfaction of the department, its
35 capacity to enroll and serve sufficient numbers of enrollees to demon-
36 strate the cost-effectiveness of the demonstration program.
37 2. The department shall establish the criteria by which individuals
38 will be identified as eligible for enrollment in the demonstration
39 programs. Persons eligible for enrollment in the disease management
40 demonstration program shall be limited to individuals who: receive
41 medical assistance pursuant to title eleven of article five of the
42 social services law and may be eligible for benefits pursuant to title
43 18 of the social security act (medicare); are not enrolled in a medicaid
44 managed care plan, including individuals who are not required or not
45 eligible to participate in medicaid managed care programs pursuant to
46 section three hundred sixty-four-j of the social services law; are diag-
47 nosed with chronic health problems as may be specified by the entity
48 undertaking the demonstration program, including, but not limited to one
49 or more of the following: congestive heart failure, chronic obstructive
50 pulmonary disease, asthma, diabetes or other chronic health conditions
51 as may be specified by the department; or have experienced or are likely
52 to experience one or more hospitalizations or are otherwise expected to
53 incur excessive costs and high utilization of health care services.
54 3. Enrollment in a demonstration program shall be voluntary. A partic-
55 ipating individual may discontinue his or her enrollment at any time

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1 without cause. The commissioner shall review and approve all enrollment
2 and marketing materials for a demonstration program.

3 4. The demonstration program shall offer evidence-based services and
4 interventions designed to ensure that the enrollees receive high quali-

5 ty, preventative and cost-effective care, aimed at reducing the necessi-
6 ty for hospitalization or emergency room care or at reducing lengths of
7 stay when hospitalization is necessary. The demonstration program may
8 include screening of eligible enrollees, developing an individualized
9 care management plan for each enrollee and implementing that plan.
10 disease management demonstration programs that utilize information tech-
11 nology systems that allow for continuous application of evidence-based
12 guidelines to medical assistance claims data and other available data to
13 identify specific instances in which clinical interventions are justi-
14 fied and communicate indicated interventions to physicians, health care
15 providers and/or patients, and monitor physician and health care provid-
16 er response to such interventions, shall have the enrollees, or groups
17 of enrollees, approved by the department for participation. The services
18 provided by the demonstration program as part of the care management
19 plan may include, but are not limited to, case management, social work,
20 individualized health counselors, multi-behavioral goals plans, claims
21 data management, health and self-care education, drug therapy management
22 and oversight, personal emergency response systems and other monitoring
23 technologies, telehealth services and similar services designed to
24 improve the quality and cost-effectiveness of health care services.

25 5. The department shall be responsible for monitoring the quality,
26 appropriateness and cost-effectiveness of a demonstration program. The
27 department shall utilize, to the extent possible, all potential sources
28 of funding for demonstration programs, including, but not limited to,
29 private payments and donations. **All such funds shall be deposited by the
commissioner and credited**

**to the disease management account which shall be established by the
comptroller**

**in the special revenue-other fund. Additionally, to the extent of funds
appropriated therefore, medical assistance funds, including any funding
or shared savings as may become available through federal waivers or
otherwise under titles 18 and 19 of the federal social security act, may
be used by the department for expenditures in support of the disease
management program.**

37 6. Payments shall be made by the department to the entity responsible
38 for the operation of the demonstration program on a fixed amount per
39 member per month of enrollment and shall reimburse the program sponsor
40 for the services rendered pursuant to subdivision four of this section.
41 the amount paid shall be an amount reasonably necessary to meet the
42 costs of providing such services, provided that the total amount paid
43 for medical assistance to enrollees in any such disease management
44 demonstration program, including any demonstration program expenditures,
45 shall not exceed ninety-five percent of the medical assistance expendi-
46 ture related to such enrollee that would reasonably have been antic-
47 ipated if the enrollee had not been enrolled in such demonstration
48 program. The department may make payments to demonstration programs that
49 provide administrative services only, provided that expenditures made
50 for enrollees, or a group of enrollees, participating in the demon-
51 stration program shall provide sufficient savings as determined by the
52 department, had the enrollees, or groups of enrollees, not been enrolled
53 in such demonstration. The department shall provide an interim report to
54 the governor, and the legislature on or before december thirty-first,
55 two thousand six and a final report on or before december thirty-first,
56 two thousand seven on the results of demonstration programs. Both

1 reports shall include findings as to the demonstration programs`
2 contribution to improving quality of care and their cost-effectiveness.

3 in the final report, the department shall offer recommendations as to
4 whether demonstration programs should be extended, modified, eliminated
5 or made permanent.